

17 November 1952

MEMORANDUM FOR: Deputy Director (Administration)

SUBJECT: Report of Activities - Week Ending 14 November 1952

1. Confidential Funds Regulations - 9.4

a. A draft of a revised regulation has now been approved by COA/DDP and COA/DDI. The Office of General Counsel has been sent a copy of the draft and has informally expressed the opinion that it will concur.

b. In reviewing the difficulties encountered in revising the 9.4 regulation, a few comments appear to be in order. The most significant is that the method of achieving coordinated, flexible planning contemplated in the latest draft regulation is in fact the identical procedure provided in 1949 in the original 9.4 regulation. The only essential difference is the placement of final approving authority with the DDP and the DDA rather than with the Covert Coordination Committee which represented the DDP and DDA.

c. The significance of this observation is that if the original regulation was sound in concept, its failure must be attributed to external factors. It is very important, therefore, that we analyze such factors and remedy any past failures in respect thereto.

d. In retrospect, I believe the unsatisfactory factors in the past have been as follows:

(1) Lack of mutual understanding that administrative planning is a joint responsibility of Operations and Administration.

(2) Lack of experience and non-availability of the services of key participants.

(3) Lack of effective, clear-cut working procedures.

e. In the past three months, the process of preparing administrative plans has lost most of its former momentum. In addition, the facilities formerly used have been lost, and personnel have been either reassigned or have become demoralized. Nevertheless, I believe the new 9.4 and the wide-spread consideration it has received will provide a firm foundation for the future if proper attention is given to the elimination of the deficiencies observable in the past. I therefore would urge wide dissemination of both the regulation and related working procedures and that all participating offices be made fully aware of the importance of this work so that they will provide competent personnel imbued with a common concept of the problem and a willingness to compromise in its solution.

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2. CIA Regulations

a. A temporary impasse has developed in DDP acceptance of the proposed concept of Agency regulations. It hinges on the question of DDP's right to issue Clandestine Service procedures. In my opinion, the problem is a matter of semantics. I believe that any proposed issuance can be scrutinized and the determination reached that it is properly an approved Agency course of action or an internal DDP instruction. If so, the only essential requirement is agreement with the proposed concept which provides for both Agency issuances and intra-office issuances and a working procedure to ensure that the concept is properly applied.

3. Study of Briefing Facilities and Methods

a. The scope of this study has necessarily been materially broadened and the report will accordingly be delayed.

4. Methods of Reporting Income Received from CIA

a. Discussions were held with the Office of the General Counsel regarding methods of reporting income received from CIA without jeopardy to the security of covert personnel. CIA does not, to my knowledge, have a satisfactory solution to this problem. I recommend that a complete study be made of the problem, and that a definite course of action be laid out to reach a solution.

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Special Assistant to the
Deputy Director (Admin.)

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